GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services – B.C.Welfare Department - Sri K. Sivasankara Rao, formerly Managing Director, Andhra Pradesh State Kapu Welfare & Development Corporation, Vijayawada - Initiation of departmental proceedings under Rule 20 of A.P.C.S.(CC&A)Rules, 1991 – Articles of Charges – Issued.

- - - -

7. The receipt of this G.O shall be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. UDAYA LAKSHMI
PRINCIPAL SECRETARY TO GOVERNMENT

To
Sri K. Sivasankara Rao,
formerly Managing Director,
Andhra Pradesh State Kapu Welfare & Development Corporation,
Vijayawada
(**Through**: The Principal Secretary to Government, Planning Department, A.P. Secretariat, Amaravati)

Copy to:-
The Principal Secretary to Government, Planning Department, A.P. Secretariat, Amaravati – With a request to serve the order on the Charged Officer and furnish the served copy with dated acknowledgement to B.C.Welfare Department.
The Director of B.C.Welfare, A.P., Vijayawada.
The Managing Director,
A.P.State Kapu Welfare & Development Corporation, Vijayawada.
Sc/Sf.

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-I

STATEMENT OF ARTICLE OF CHARGES FRAMED AGAINST SRI K. SIVASANKARA RAO, FORMERLY MANAGING DIRECTOR, A.P.STATE KAPU WELFARE & DEVELOPMENT CORPORATION, VIJAYAWADA

Sri K. Sivasankara Rao, worked as Managing Director, A.P.State Kapu Welfare & Development Corporation, Vijayawada during the period from 06-12-2017 to 16-04-2019. During the period, he has committed grave irregularities in implementation of various schemes intended for the benefit of the poor kapu beneficiaries and involved in misappropriation of Corporation funds. Hence, the articles of charges against him as follows:-

Charge-I: That he has released an amount of **Rs.50.98 lakhs** to Synergy Advertisement Private Limited, Tadepalli, Guntur District for display of hoardings for Kapu Corporation Schemes in seven districts of Andhra Pradesh on quotation basis without permission of Government as well as without calling e-Tender & without getting Geo-Tagging of the advertized Boards and without the recommendations or verification of such hoardings by concerned Executive Directors or the concerned Mandal parishad development officers and it was released simply basing on the invoices submitted by the Agency, as seen from the proceedings issued by him which clearly shows that he has circumvented the rules with a malafide intention and misappropriated government money to a tune of **Rs.50.98 lakhs** without actually getting the work done by them, Hence the charge.

Charge-II: That he has released an amount of Rs.7.81 Crores during the financial year 2018-19 to **Viswa Sai Ads Agency** for advertisements, in the name of erecting the Pillar Boards without the approval of the Board, without permission of the Government and without calling for e-Tender by giving advantage to only one agency for a huge work order of Rs.8.66 crores against the Tender norms to the Viswa Sai Ads Agency deviating the Government Rules.

He has released the money through cheques to an extent of Rs.4,06,85,538/- and released Rs.3,74,53,236/- through CFMS and further uploaded an amount of Rs.85,45,383/- through CFMS, to M/s.Viswa Sai Ads Agency.

On this subject, there was no recommendation by the Executive Directors of B.C Corporation who are looking after the activities of Kapu Corporation also. Even in the Web-Portal http://kapu.mgov.online the pictures of the same Pillar Boards were repeated several times, thus enhancing the number of geo-tagged records; and the payment was effected to M/s.Viswa Sai Ads as if they have completed the entire work with a malafide intention. This way without proper orders of the Government and without proper verification of the geo-tagged records an amount of Rs.7.81 crores is released to Viswa Sai Ads Agency. This clearly shows his malafide intention and paving way to the allegation that he has collected huge amounts as illegal gratification. Hence, the charge.

Charge-III: That he has released an amount of Rs.1.27 crores to the I.A.C.G. Institute, Hyderabad during the financial year 2018-19 though in the MoA the I.A.C.G organization has stated that their annual capacity to train the students is 40. But, the payments were effected to 191 students which is almost 5 times the capacity of the organization. He has failed to maintain Bio-metric attendance of the students. Hence his action of releasing 1.27 crores to I.A.C.G beyond their capacity of training of 40 students per annum was done with a malafide intention. Hence the allegation of releasing payments to the benami students needs to be explained by Sri.K.Siva Sankara Rao. Hence the Charge.

Charge-IV: That he along with the Chairman has passed a resolution in the Board meeting held on 14.06.2018 without quorum proposing for a special allowance to Managing Director for Rs.20,000/- under item No.13-IX; and vide resolution No.vii medical allowance of Rs.10,000/- per month to the Managing Director contrary to the rules and against the Financial norms and propriety to be followed as a Civil Servant, It was also seen from the minutes vide resolution No. (vi) he has suggested the enhancement of monthly remuneration to the contract and outsourced staff as follows:

(PTO)

a) General Managers – from the present Rs.60,000/- to Rs.75,000/-.
b) Managers - from the present Rs.40,000/- to Rs.60,000/-.
c) Asst. Managers - from the present Rs.30,000/- to 50,000/-.
d) IT Assistants - from the present Rs.20,000/- to Rs.30,000/-.
e) Personal Assistant - from the present Rs.20,000/- to Rs.30,000/-.

This is contrary to the Government rules vide G.O.Ms.No.151 dt.08.08.2016 of Finance Department which is paving the way to the allegation that he has collected bribes from the outsourced and contract employees. Hence the charge.

Charge-V: That he has released an amount of Rs.7.00 lakhs to Lalitha Girijana Mahila Mandali and Rs.5.00 lakhs to Shine Women Welfare Association though the Media Co-Ordinator, A.P State Kapu Welfare Development Corporation, Vijayawada has reported on 03.01.2019 that M/s.Lalitha Girijana Mahila Mandal not followed any of the important stipulated conditions specified in the Agreement regarding the Aadhar based Bio-Metric Attendance and establishment of C.C Cameras integrating with Central Server of the Corporation. Against the recommendations he has released the payments.

This clearly shows the malafide intention of Sri.K.Siva Sankara Rao in releasing the money without verifying the details. Hence, the charge.

Charge-VI: That he has failed to transfer the fixed deposit amount of Rs.45.00 Crores from Andhra Bank, Suryaraopeta Branch, Vijayawada to P.D. account of Kapu Corporation by violating the instructions of Finance Department issued vide G.O.Ms.No.39 dt.17.03.2018 and the memo issued by the Principal Secretary to Government, B.C.Welfare Department vide Government letter No.33/61/2018, Dated:27-07-2018.

He has also failed to take proper steps to get back the unspent amount of Rs..15.70 Crores released to the E.D- B.C Corporation; Inspite of the instructions issued through a G.O.Ms.No.39, dt.17.03.2018 by Finance Department and also inspite of the Memo issued by Principal Secretary vide Letter No. B.C.W.O/33/61/2018; that he has not deposited the amounts in the P.D account till the date of his relief from the department which clearly shows his disobedience to the instructions given by the Government and his malafide intention to use that amount at his whims and fancies to the various agencies (for example as was done in the case of release of Rs.4.06 crores through cheques to Viswa Sai Ads). This shows that these transactions through cheque payments was done by him with an ulterior motive. Hence, the Charge.

Charge-VII: That he has appointed Sri S.S. Raju as General Manager (Media Co-ordinator) in Kapu Corporation by giving monthly salary of Rs.60,000/- per month with Vehicle allowance of Rs.35,000/- per month without permission of the Government and without a prescribed qualification related to Media Management and without notifying the vacancy; and without giving opportunity to the eligible persons to participate, and without interviewing the abilities of the candidate. The salary and allowances are fixed by the former M.D, Mr.K.Siva Sankara Rao on his own without bringing it to the notice of the Government or Finance Department while making a payment of Rs.95,000/- per month to an individual. This shows his malafide intention. And it is also paving way to the allegation that he has been using the services of Media Co-ordinator for the inspection of skill development institutes and collecting bribes. Hence, the Charge.

Charge-VIII: That he has released an amount of Rs.2.00 crores subsidy directly to the Car dealers of the Vijayawada such as Varun Motors Pvt. Ltd., Vijayawada, Jasper Auto Mobiles Pvt. Ltd., Vijayawada and Sai Swarna Automobiles Pvt. Ltd., Vijayawada instead of releasing it to the beneficiaries accounts as per rules and there is no documentation available in the office pertaining to the identification of beneficiaries regarding their caste, income, eligibility and address etc., except the names. Whenever beneficiaries are receiving subsidy under self employment schemes they should satisfy the guidelines issued by the Government. But, here he has taken the names of the beneficiaries and released payment to the Car suppliers and there is no evidence that the beneficiaries got the cars. This reflects on the ulterior motive of Sri K.Siva Sankara Rao. Hence the Charge.

(PTO)

Charge-IX: That he has incurred an amount of Rs.29.14 lakhs for conducting three Job Melas without approval of the Board by colluding with Fin Trust Solutions and failed to provide employment to the participants and failed to maintain proper records of their placement; which resulted in the misuse of Rs.29.14 lakhs. Hence, the Charge.

Charge-X: That he sanctioned more than 60 M.S.M.E. units to Executive Directors of B.C.Corporation of East Godavari and West Godavari Districts during the financial year 2018-19 even though the M.S.M.E. Scheme was not approved by the Government for implementation during the action plan of 2018-19. This shows his malafide intention and paving the way to the allegations that he has done it for illegal gratification without actually establishing the physical units. Hence the Charge.

Charge-XI: That he has released subsidy amount of Rs.10.00 lakhs per student under Videshi Vidya Deevena Programme by encouraging some of the students to upload fake certificates and collected huge amounts from the students as bribe for example, when there is a complaint pending on Sri Kesavaraju Janakinad Chandra S/o.Kesavaraju Satyanarayana studying in Southern Cross University, Australia to whom the Ist installment of Videshi Vidya Deevena benefit was released though there was a complaint on him stating that he has submitted fake Certificates; which could have been verified thoroughly by the former M.D, Sri K.Siva Sankara Rao. Now a few parents are also alleging the same which indicates that Sri.K.Siva Sankara Rao has released Videshi Vidya Deevena funds to some of the students who have submitted fake certificates without verifying the details with an ulterior motive; Hence, the Charge.

Charge-XII: That he has given permission in July, 2018 through O.B.M.M.S. Site for additional 6000 Swayam Upadhi Units with an additional amount of Rs.60.00 Crores to Executive Director of B.C.Croporation, East Godavari District by raising the district target from 15,000 units to 21,000 units without permission of the Board, S.L.B.C and Government by colluding with the officials of D.C.C.Bank and the beneficiaries with an ulterior motive. Hence the Charge.

Charge-XIII: That he has drawn salary of Sri T. Raghu Varma, attender for three months and Smt. B. Anitha, attender for six months without biometric attendance and taking the signatures of the others on behalf of them in the Attendance Register which shows that he has made benami transactions. Hence the Charge.

Charge-XIV: The allegation states that he obtained false caste certificate as “Thurpu Kapu” under B.C-D category, which he himself has to prove by producing his service register and other related documents. Hence, the Charge.

B. UDAYA LAKSHMI
PRINCIPAL SECRETARY TO GOVERNMENT

ANNEXURE-II

STATEMENT OF IMPUTATION OF MIS-CONDUCT AND MISBEHAVIOUR IN SUPPORT OF ARTICLES OF CHARGES FRAMED AGAINST SRI K. SIVASANKARA RAO, FORMERLY MANAGING DIRECTOR, A.P.STATE KAPU WELFARE & DEVELOPMENT CORPORATION, VIJAYAWADA

Sri K. Sivasankara Rao, worked as Managing Director, A.P.State Kapu Welfare & Development Corporation, Vijayawada during the period from 06-12-2017 to 16-04-2019. During the period, he has committed grave irregularities in implementation of various schemes intended for the benefit of the poor kapu beneficiaries and involved in misappropriation of Corporation funds.

IMPUTATION OF CHARGES:

Sri K. Sivasankara Rao, while working as Managing Director, A.P.State Kapu Welfare & Development Corporation, Vijayawada during the period from 06-12-2017 to 16-04-2019, has committed grave irregularities in implementation of various schemes intended for the benefit of the poor kapu beneficiaries and involved in misappropriation of Corporation funds, by deviating the official procedures in vogue and without approval of the Board as well the permission of the Government. Thus, he misappropriated the Government funds.

Facts and evidence in support of the charges:

Brief facts of the case are that several allegations were leveled against Sri K. Sivasankara Rao, Ex-Managing Director, A.P.State Kapu Welfare & Development Corporation, Vijayawada in implementation of various schemes intended for the benefit of the poor kapu beneficiaries and also involved in misappropriation of Corporation funds. The allegations are as follows:-

1. That he has released an amount of **Rs.50.98 lakhs** to Synergy Advertisement Private Limited, Tadepalli, Guntur District for display of hoardings for Kapu Corporation Schemes in seven districts of Andhra Pradesh on quotation basis without permission of Government as well as without calling e-Tender & without getting Geo-Tagging of the advertized Boards and without the recommendations or verification of such hoardings by concerned Executive Directors or the concerned Mandal parishad development officers and it was released simply basing on the invoices submitted by the Agency, as seen from the proceedings issued by him which clearly shows that he has circumvented the rules with a malafide intention and misappropriated government money to a tune of **Rs.50.98 lakhs** without actually getting the work done by them.

2. That he has released an amount of Rs.7.81 Crores during the financial year 2018-19 to **Viswa Sai Ads Agency** for advertisements, in the name of erecting the Pillar Boards without the approval of the Board, without permission of the Government and without calling for e-Tender by giving advantage to only one agency for a huge work order of 8.66 crores against the Tender norms to the Viswa Sai Ads Agency deviating the Government Rules.

   He has released the money through cheques to an extent of Rs.4,06,85,538/- and released Rs.3,74,53,236/- through CFMS and further uploaded an amount of Rs.85,45,383/- through CFMS to M/s.Viswa Sai Ads Agency.

   On this subject, there was no recommendation by the Executive Directors of B.C Corporation who are looking after the activities of Kapu Corporation also. Even in the Web-Portal http://kapu.mgov.online the pictures of the same Pillar Boards were repeated several times, thus enhancing the number of geo-tagged records; and the payment was effected to M/s.Viswa Sai Ads as if they have completed the entire work with a malafide intention. This way without proper orders of the Government and without proper verification of the geo-tagged records and an amount of Rs.7.81 crores is released to Viswa Sai Ads Agency. This clearly shows his malafide intention and paving way to the allegation that he has collected huge amounts as illegal gratification.

(PTO)

3. That he has released an amount of Rs.1.27 crores to the I.A.C.G. Institute, Hyderabad during the financial year 2018-19 though in the MoA the I.A.C.G organization has stated that their annual capacity to train the students is 40. But, the payments were effected to 191 students which is almost 5 times the capacity of the organization. He has failed to maintain Bio-metric attendance of the students. Hence his action of releasing 1.27 crores to I.A.C.G beyond their capacity of training of 40 students per annum was done with a malafide intention. Hence the allegation of releasing payments to the benami students needs to be explained by Sri.K.Siva Sankara Rao.

4. That he along with the Chairman has passed a resolution in the Board meeting held on 14.06.2018 without quorum proposing for a special allowance to Managing Director for Rs.20,000/- under item No.13-IX; and vide resolution No.vii medical allowance of Rs.10,000/- per month to the Managing Director contrary to the rules and against the Financial norms and propriety to be followed as a Civil Servant, It was also seen from the minutes vide resolution No. (vi) he has suggested the enhancement of monthly remuneration to the contract and outsourced staff as follows:

    a) General Managers – from the present Rs.60,000/- to Rs.75,000/-.
    b) Managers - from the present Rs.40,000/- to Rs.60,000/-.
    c) Asst. Managers - from the present Rs.30,000/- to 50,000/-.
    d) IT Assistants - from the present Rs.20,000/- to Rs.30,000/-.
    e) Personal Assistant - from the present Rs.20,000/- to Rs.30,000/-.

    This is contrary to the Government rules vide G.O.Ms.No.151 dt.08.08.2016 of Finance Department which is paving the way to the allegation that he has collected bribes from the outsourced and contract employees.

5. That he has released an amount of Rs.7.00 lakhs to Lalitha Girijana Mahila Mandali and Rs.5.00 lakhs to Shine Women Welfare Association though the Media Co-Ordinator, A.P State Kapu Welfare Development Corporation, Vijayawada has reported on 03.01.2019 that M/s.Lalitha Girijana Mahila Mandal not followed any of the important stipulated conditions specified in the Agreement regarding the Aadhar based Bio-Metric Attendance and establishment of C.C Cameras integrating with Central Server of the Corporation. Against the recommendations he has released the payments.

    This clearly shows the malafide intention of Sri.K.Siva Sankara Rao in releasing the money without verifying the details.

6. That he has failed to transfer the fixed deposit amount of Rs.45.00 Crores from Andhra Bank, Suryaraopeta Branch, Vijayawada to P.D. account of Kapu Corporation by violating the instructions of Finance Department issued vide G.O.Ms.No.39 dt.17.03.2018 and the memo issued by the Principal Secretary to Government, B.C.Welfare Department vide Government letter No.33/61/2018, Dated:27-07-2018.

    He has also failed to take proper steps to get back the unspent amount of Rs.15.70 Crores released to the E.D- B.C Corporation; Inspite of the instructions issued through a G.O.Ms.No.39, dt.17.03.2018 by Finance Department and also inspite of the Memo issued by Principal Secretary vide Letter No. B.C.W.O/33/61/2018; that he has not deposited the amounts in the P.D account till the date of his relief from the department which clearly shows his disobedience to the instructions given by the Government and his malafide intention to use that amount at his whims and fancies to the various agencies (for example as was done in the case of release of Rs.4.06 crores through cheques to Viswa Sai Ads). This shows that these transactions through cheque payments was done by him with an ulterior motive.

(PTO)

7. That he has appointed Sri S.S. Raju as General Manager (Media Co-ordinator) in Kapu Corporation by giving monthly salary of Rs.60,000/- per month with Vehicle allowance of Rs.35,000/- per month without permission of the Government and without a prescribed qualification related to Media Management and without notifying the vacancy; and without giving opportunity to the eligible persons to participate, and without interviewing the abilities of the candidate. The salary and allowances are fixed by the former M.D, Mr.K.Siva Sankara Rao on his own without bringing it to the notice of the Government or Finance Department while making a payment of Rs.95,000/- per month to an individual. This shows his malafide intention. And it is also paving way to the allegation that he has been using the services of Media Co-ordinator for the inspection of skill development institutes and collecting bribes.

8. That he has released an amount of Rs.2.00 crores subsidy directly to the Car dealers of the Vijayawada such as Varun Motors Pvt. Ltd., Vijayawada, Jasper Auto Mobiles Pvt. Ltd., Vijayawada and Sai Swarna Automobiles Pvt. Ltd., Vijayawada instead of releasing it to the beneficiaries accounts as per rules and there is no documentation available in the office pertaining to the identification of beneficiaries regarding their caste, income, eligibility and address etc., except the names. Whenever beneficiaries are receiving subsidy under self employment schemes they should satisfy the guidelines issued by the Government. But, here he has taken the names of the beneficiaries and released payment to the Car suppliers and there is no evidence that the beneficiaries got the cars. This reflects on the ulterior motive of Sri K.Siva Sankara Rao.

9. That he has incurred an amount of Rs.29.14 lakhs for conducting three Job Melas without approval of the Board by colluding with Fin Trust Solutions and failed to provide employment to the participants and failed to maintain proper records of their placement; which resulted in the misuse of Rs.29.14 lakhs.

10. That he sanctioned more than 60 M.S.M.E. units to Executive Directors of B.C.Corporation of East Godavari and West Godavari Districts during the financial year 2018-19 even though the M.S.M.E. Scheme was not approved by the Government for implementation during the action plan of 2018-19. This shows his malafide intention and paving the way to the allegations that he has done it for illegal gratification without actually establishing the physical units.

11. That he has released subsidy amount of Rs.10.00 lakhs per student under Videshi Vidya Deevena Programme by encouraging some of the students to upload fake certificates and collected huge amounts from the students as bribe for example, when there is a complaint pending on Sri Kesavaraju Janakinad Chandra S/o.Kesavaraju Satyanarayana studying in Southern Cross University, Australia to whom the Ist installment of Videshi Vidya Deevena benefit was released though there was a complaint on him stating that he has submitted fake Certificates; which could have been verified thoroughly by the former M.D, Sri K.Siva Sankara Rao. Now a few parents are also alleging the same which indicates that Sri.K.Siva Sankara Rao has released Videshi Vidya Deevena funds to some of the students who have submitted fake certificates without verifying the details with an ulterior motive.

12. That he has given permission in July, 2018 through O.B.M.M.S. Site for additional 6000 Swayam Upadhi Units with an additional amount of Rs.60.00 Crores to Executive Director of B.C.Croporation, East Godavari District by raising the district target from 15,000 units to 21,000 units without permission of the Board, S.L.B.C and Government by colluding with the officials of D.C.C.Bank and the beneficiaries with an ulterior motive.

13. That he has drawn salary of Sri T. Raghu Varma, attender for three months and Smt. B. Anitha, attender for six months without biometric attendance and taking the signatures of the others on behalf of them in the Attendance Register which shows that he has made benami transactions.

(PTO)

14. The allegation states that he obtained false caste certificate as “Thurpu Kapu” under B.C-D category, which he himself has to prove by producing his service register and other related documents.

By his above mentioned acts, Sri K. Sivasankara Rao, Ex-Managing Director, A.P.State Kapu Welfare & Development Corporation, Vijayawada has failed to maintain absolute integrity, devotion to duty and exhibited conduct unbecoming of a public servant contravening Rule 3(1) and (2) of Andhra Pradesh Civil Services(Conduct) Rules, 1964. The Government Servant has therefore rendered himself liable for regular departmental action for appropriate penalty.

B. UDAYA LAKSHMI
PRINCIPAL SECRETARY TO GOVERNMENT

ANNEXURE-III

LIST OF DOCUMENTS BY WHICH THE ARTICLES OF CHARGES FRAMED AGAINST SRI K. SIVASANKARA RAO, FORMERLY MANAGING DIRECTOR, A.P.STATE KAPU WELFARE & DEVELOPMENT CORPORATION, VIJAYAWADA ARE PROPOSED TO BE SUSTAINED

1. Audit report of the Corporation
2. Relevant files of A.P.Kapu Welfare & Development Corporation
3. Guidelines issued by A.P. Skill Development Corporation
4. Agreements
5. Other documents, if any.

B. UDAYA LAKSHMI
PRINCIPAL SECRETARY TO GOVERNMENT

ANNEXURE-IV

LIST OF WITNESSES BY WHOM THE ARTICLES OF CHARGES FRAMED AGAINST SRI K. SIVASANKARA RAO, FORMERLY MANAGING DIRECTOR, A.P.STATE KAPU WELFARE & DEVELOPMENT CORPORATION, VIJAYAWADA ARE PROPOSED TO BE SUSTAINED

1. Sri Chalamalasetty Ramanjaneyulu, Ex-Chairman, A.P.State Kapu Welfare & Development Corporation, Vijayawada.
2. Parents of Videshi Vidya Deevena beneficiaries.
3. Others, if any.

B. UDAYA LAKSHMI
PRINCIPAL SECRETARY TO GOVERNMENT